(c) the area in which trade and commerce would be promoted between the two countries?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI OMAR ABDULLAH): (a) No, Sir.

(b) and (c) The question does not arise.

Adoption of Bye-Laws by EPCs

4147. SHRI M. RAJASEKARA MURTHY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government, in the interest of export promotion, have formulated model Bye-Laws/Articles of Association for all the 21 Export Promotion Councils for open, transparent and democratic working;

(b) if so, the details of such model Bye-Laws/Articles of Association;

(c) the names of the Councils who have adopted these Bye-Laws/Articles of Association in their Extra-Ordinary General Meeting/Special Meeting;

(d) the names of the Councils who have not done so far; and

(e) the action Government propose to take against such Councils who have not adopted these Bye-Laws/Articles of Association?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI OMAR ABDULLAH): (a) In view of the significant changes that have taken place in the international trade environment in recent years, especially after the conclusion of the Uruguay Round and the establishment of the WTO, it was felt necessary to restructure the Export Promotion Councils (EPCs) with a view to making them more responsive to the needs of their members as well as to introduce greater professionalism for improving the quality of services being provided to their members. The Government have accordingly prescribed a set of Model Bye

Laws for adoption by EPCs. Adoption of the Model Bye Law by EPCs will lead to rationalisation of their administrative and election procedures thereby ensuring that real exporters have a more effective say in the managment of the EPCs thus contributing greater efficiency and transparency in their functioning.

(b) Details of main items of Model Bye Laws/Articles of Association are:

1. **Membership Norms:**

With a view to giving the voting rights and right of standing for election to various positions in the EPCs only to such members as are having an established standing over a minimum period of 3 years, it has been stipulated that there will be two categories of members namely; Associate Members and Ordinary Members. A person shall be eligible for admission to the Council as Associate Member on receiving the Import Export Code number from Directorate General of Foreign Trade in respect of the product with which the Council is concerned. An associate member of the Council for atleast three continuous years would be eligible for ordinary membership of the Council provided the company represented by him has to its credit during the three financial years, immediately preceding, average exports in respect of the product of not less than Rs. 10 lakh for SSI and Rs. 25 lakh for other than SSI companies. The ordinary member shall have the right to vote at the meetings of the Council and offer himself as a candidate at elections to various positions in the Council.

2. **Eligibility for standing for Elections:**

(i) Ordinary members of the council must have to their credit during the financial year immediately preceding, exports of not less than Rs. 25 lakhs for SSI firms and Rs. One crore for other companies.

(ii) For standing for election as Chairman or Vice-Chairman or Regional Chairman etc., the company must have to its credit during the financial year immediately preceding exports of not less than Rs. 2 crores.

3. **Tenure:**

(i) The tenure proposed for the office of Chairman or Vice-Chairman or Regional Chairman is two years. On completion of this term of two years, the Vice-Chairman shall be endorsed by the Committee of Administration of the Council to succeed the Chairman unless he is unwilling or he has incurred any of the disqualifications with regard to the membership of the council. The Chairman on completion of his term of two years shall retire and shall not be eligible for re-election at the next election.

(ii) The term for the elected members to the Committee of Administration of the council shall be two years and 1/3rd of the elected members shall automatically retire on the completion of two years of their term but shall be eligible for re-election.

4. **Committee of Administration:**

(i) The composition of the Committee of Administration has been proposed with elected members (ten minimum and twenty maximum) and nominated members, not exceeding three in number. The Regional Chairman of the Council shall be ex-officio members of the Committee of Administration but shall be included within the maximum proposed strength of the Committee. At least 1/3rd of the elected members shall be from the Small Scale Industries and other 1/3rd of the elected members shall be from the recognised Export Houses and Trading Houses. However, the Committee can co-opt such members, as it considers necessary, for the efficient conduct of its business in relation to specific type of activities.

(ii) Nominated members and co-opted members shall have no voting rights and the term of the nominated members shall be co-terminous with that of the Committee.

5. **Disqualification for Membership:**

The grounds for disqualification for being or for continuing as a member of the council are proposed to be prescribed so that the companies with a clean record only shall be members of the council.

6. **Conduct of Elections:**

The Council shall be duty-bound to ensure that the elections to various posts in the council are held in time and the elected members shall automatically retire on completion of their term. If a council fails to ensure timely election, the Government, after giving a reasonable opportunity of being heard, may order a fresh election to be held and make such arrangements as may be necessary for that purpose.

7. **Power to give Direction:**

The Central Government shall have powers to give directions to the Council as to the performance of its functions, where the Government, considers such directions to be necessary;

(i) in the interest of the national security; or

(ii) in the interest of the national economy; or

(iii) otherwise in the public interest.

(c) the Model Bye-Laws/Articles of Association sent to EPCs have already been adopted by 10 EPCs (Capexil, Gem & Jewellery, Shellac, Overseas Construction, Sports Goods, Plastics, TEXPROCIL, Indian Silk, Synthetic & Rayon Textiles, Handloom), 9 EPCs (Cashew, Leather, Electronics & Computer Software, Engineering, Powerloom Development, Carpet, Apparel Handicrafts, Wool & Woollens) are in the process of adopting these Model Bye-Laws/Articles of Association.

(d) Basic Chemicals, Pharmaceutical & Cosmetics Export Promotion Council, Mumbai (CHEMEXCIL) has not so far initiated action to adopt Model Articles of Association. The Department is in touch with them for early adoption of Model Articles of Association and Chairman, CHEMEXCIL has conveyed in a meeting to Department of Commerce that it will be adopting the model Articles of Association shortly.

(e) As none of the Councils has so far refused adoption of Model Bye Laws/Articles of Association, the need to take action against such Councils may not arise.